THE DER WEEKLY

www.eren.doe.gov/der

Vol. 2 No. 40

October 5, 2001

Industry News

GE and Honeywell End Merger Agreement

GE and Honeywell announced the termination of their merger agreement on October 2. GE agreed to reimburse Honeywell for merger-related expenses, to extend two financing agreements, and to acquire two of Honeywell's businesses. These businesses include Tensor, an oil and gas sensor company, and Honeywell Advanced Composites. GE will also obtain certain technologies related to microturbines and fuel cells from Honeywell.

Honeywell and GE Press Releases, October 2

Chevron to Power Data Center with Fuel Cell

Chevron Corporation plans to power its data center in San Ramon, California, with a 200-kW fuel cell. The unit will cost approximately \$850,000 and will be fueled by natural gas. The fuel cell will be the primary source of power for the data center and the power grid will be used for supplemental power. "The goal here is to demonstrate that this technology is indeed viable," said Diane Sable, Chevron Energy Solutions spokesperson. The fuel cell will also serve as an exhibit in the Bay Area of San Francisco.

Fuel Cells Today, October 2; San Francisco Chronicle, September 28

Ballard Negotiates Business Agreements, Begins Production on PEM Fuel Cell

Ballard Power Systems announced on October 2 that it has acquired subsidies of DaimlerChrysler and Ford. Ballard will purchase XCELLSIS, a developer and producer of proton exchange membrane (PEM) fuel cells for vehicles (primarily owned by DaimlerChryslter), and Ecostar, a developer and producer of power conversion systems for microturbines, internal combustion engines, and fuel cells (primarily owned by Ford). XCELLSIS and Ecostar were created as part of a vehicular fuel cell alliance among Ballard, DaimlerChrystler, and Ford in 1998.

In addition, Ballard signed a Memorandum of Understanding with EBARA Corporation that calls for Ballard to acquire EBARA's interest in Ballard Generating Systems, Ballard's

stationary power products subsidiary, for \$35.8 million. The transaction is expected to be completed in November 2001.

Last week Ballard announced that it began producing a PEM fuel cell, the Nexa Power Module, engineered for integration

Nexa Power Module

into consumer products designed by original equipment manufacturers. The fuel cell will have the capacity to generate 1.2 kW and will first be applied in a Coleman Powermate portable generator.

www.eyeforfuelcells.com

Plans for New RTOs in Midwest and West

Six Midwestern utilities announced that they submitted plans to the Federal Energy Regulatory Commission to form a Regional Transmission Organization (RTO), TRANSLink. The independent transmission-only company would own or control 26,000 miles of transmission lines in 14 states, which are connected to 6.9 million customers and 35,000 MW of electricity generation. TRANSLink would create a grid located in nearly all of Nebraska and Iowa, and parts of Wisconsin, Minnesota, South Dakota, Colorado, Wyoming, Oklahoma, Texas, and New Mexico. The six utilities involved in the plans include MidAmerican Energy Company, Alliant Energy, Xcel Energy, Corn Belt Power Cooperative, Omaha Public Power District, and Nebraska Public Power District.

Utility companies in the Southwest have agreed to develop a new RTO, WestConnect, with expectations of forming a single Western RTO. WestConnect's policies and procedures would be based on its predecessor, DesertSTAR. Six Southwest utilities have signed a Memorandum of Understanding regarding the formation and initial operation of the RTO, including Arizona Public Service, Salt River Project, El Paso Electric Company, Public Service Company of New Mexico, Tucson Electric Power Company, and Texas-New Mexico Power Company. WestConnect is working with members of other RTOs in the West and Pacific Northwest to expand its service area.

Electricity Daily, October 3; Energy Central, October 5

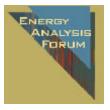
(Continued on page 2)

What's on the Web



The National Renewable Energy Laboratory (NREL) has enhanced and expanded its Energy Analysis Web site at www.nrel.gov/analysis. The site provides news

and updates on upcoming events; links and references to NREL's latest analysis reports, studies, and papers; and a list of e nergy analysis resources. NREL has also posted on the site a summary of the Energy Analysis Forum.



Power Crunch: The DER Weekly Feature

Mark Your Calendars: DER Conference and Peer Review, November 28-30,

The purpose of the Distributed Energy Resources Conference and Peer Review to be held in L'Enfant Plaza Hotel in Washington, DC, is to review the mission, goals, objectives, strategy, project balance, and overall leadership and productivity of the DER Program. In addition to presentations on strategic DER efforts underway at DOE and in state governments, DER activities underway within the research, university, and trade association communities will be discussed. More in-depth presentations on each of the DOE-sponsored programs and projects underway will be given.

The programs that will be peer reviewed at the meeting are:

Microturbines Energy Storage

Reciprocating Engines Thermally Activated Systems and Packaged Systems for Buildings

Industrial Gas TurbinesIndustrial Distributed GenerationBuilding Fuel CellsCombined Heat and PowerDistributed PowerTransmission and Distribution

Peer reviewers will be drawn from the private sector, university community, research and trade organizations, and state and local agencies. They will be asked to evaluate the DER program at a strategic management level, and to provide written comments and recommendations to DOE.

Interested parties in the DER community are invited to observe and participate in the discussions. More information will be available on the DER website at www.eren.doe.gov/der and future issues of the DER weekly.











DOE News

Electric Power for VA's High-Tech Industry

The Office of Distributed Energy Resources (DER) has been tracking the Alexandria Research Institute's work for the Virginia Center for Innovative Technology (CIT) entitled "Task Force on Electric Power For Virginia's High-Technology Industry." The 17-member task force is made up of private firms, Federal and Virginia Commonwealth agencies, and faculty from Virginia Tech. Phil Overholt, Office of DER, participated in a review and discussion of the task force's findings at the CIT on October 1 and provided information on Department of Energy activities in distributed energy resource development and integration, and the ongoing National Transmission Grid Study. A study generated by the task force recommends that Virginia examine power generation diversity, transmission capability, and potential use of on-site generation technology.

By the Numbers

- 71 percent of people who say they favor increasing domestic supplies of traditional energy sources including oil, natural gas, coal and nuclear power
- 38 percent of people who say our national security should be protected by ensuring a stable supply of energy for the future as the main reason for acting on a comprehensive energy plan now
- 61 percent of people who now believe that the positives of exploration and production in ANWR outweigh the negatives, up from 39 percent in July

Source: nationwide poll conducted by Wirthlin Worldwide and released by Arctic Power, a grassroots organization that advocates development of ANWR

Special Announcement

The President's Management Agenda, which provides a strategy for improving the management and performance of the federal government, was recently released. The report makes practical recommendations for 14 areas, which have been designated as needing improvement. The report can be found at www.whitehouse.gov/omb/budget/fy2002/mgmt.pdf.

Calendar of Events

As always, please check with event sponsors to confirm date and place of all events. If your organization's event is postponed or cancelled, contact Brian Marchionini at bmarchionini@energeticsinc.com.

OCTOBER 2001				
7-10	APPA Telecommunications Wkshp.	Seattle, WA	www.appanet.org; Bethany Luna (202) 467-2993	
14-17	National Center for Photovoltaics Program Review	Lakewood, CO	barbara_ferris@nrel.gov, 303-275-3781	
14-17	NASEO Annual Meeting	Portland, ME	www.naseo.org — Rescheduled from September 16-19 — to request a refund of meeting registration fee contact Donna Brown at dgbrown@erols.com	
16-18	IEEE Distributed Resources and Electric Power Systems Interconnection Working Group (P1547) Meeting	Las Vegas, NV	http://grouper.ieee.org/groups/scc21/1547/	
16-17	CHP Roadmap Meeting	Baltimore, MD	John Jimison, johnj@bcjlaw.com	
16-17	Two-day Seminar on Materials for Corrosive Applications	Wilmington, DE	Rick Sutherlin, (541) 967-6924	
16-17	Energy & Environmental Technologies Conference	Atlantic City, NJ	www.eetech.org CANCELLED!	
22-23	Fuel Cells for Portable Devices	San Francisco, CA	www.f-cellsnetwork.com/NA -1660-01	
24-26	World Energy Engineering Congress and Combined Heat & Power Expo	Atlanta, GA	www.agcc.org (CHP Expo www.aeecenter.org)	
24-27	Excellence in Building 2001	Orlando, FL	www.eeba.org/conference	
28- Nov. 2	2001 IEEE/PES Transmission and Distribution Conference and Expo	Atlanta, GA	www.ieeet-d.org	
29-30	Reliability-Focused Energy Efficiency Conference: Lessons Learned in 2001	Berkeley, CA	www.aceee.org	
		NOVEMBER	₹ 2001	
1-2	3rd Annual International Symposium on Distributed Energy Resources	San Diego, CA	www.cader.org; Robert Dixon, Deputy Assistant Secretary, Office of Power Technologies invited to speak	
1	U.S. Advanced Ceramics Association Meeting	College Park, MD	Lara Neer; 202-293-6253	
1-4	World Congress for Hydrogen Economy	Denver, CO	www.hydrogennow.org	
6	NAESCO DG Conference	Miami, FL	www.naesco.org/conference.htm	
6-7	Empire Energy & Environment Expo	Albany, NY	info@eba-nys.org	
7	Ohio Fuel Cell Technology Symposium	Cleveland, OH	www.cesnet.org	
7-9	NAESCO 18th Annual Conference	Miami, FL	www.naesco.org/conference.htm	
11-14	113th NARUC Annual Convention	Philadelphia, PA	www.naruc.org	
12-14	Fuel Cells for Stationary, Automotive and Portable Apps.	Fort Lauderdale, FL	Florida Educational Seminars, (561) 367-0193	
27-28	Business for Fuel Cells for Stationary Applications	Brussels, Belgium	www.eyeforfuelcells.com	
28-29	Business Energy Solutions Expo	Orlando, FL	www.aeecenter.org; www.tecoenergy.com	
28-30	DER Conference and Peer Review	Washington, DC	cs@energeticsinc.com	

Calendar of Events					
DECEMBER 2001					
3-4	4th Business Case for Opportunity and Investment in Fuel Cells	Miami, FL	www.cbinet.com		
3-5	Next Generation Turbine and Condition Monitoring Conference and Workshop	Galvestone, TX	www.netl.doe.gov		
5-7	4th Annual Interactive Energy Conf.	Houston, TX	www.interactiveenergy.com/2001		
11-13	Power-Gen International	Las Vegas, NV	www.pennwellevents.com		
11-12	Workshop on Interconnecting Distributed Generation	Honolulu, HI	mtome@dbedt.hawaii.gov or call: 808-587-3809; www.state.hi.us/dbedt/ert		
JANUARY 2002					
14-15	Material Technologies for Fuel Cells and Power Electronics	Cocoa Beach, FL	www.ceramics.org/meetings/ECD2002/expo.asp		
28-Feb.1	Distributed Power Program Annual Review Meeting	Arlington, VA	kimberly_taylor@nrel.gov		
29-Feb.1	Reducing Your Energy Costs Conference and Exhibit	New Orleans, LA	Stuart Steller, 781-939-2411, s.steller@cbinet.com		
FEBRUARY 2002					
27-Mar 1	DistribuTECH	Miami Beach, FL	www.pennwellevents.com		
6-7	Fuel Cell Dynamics: Reality, Not Hype	New York, NY	www.alliedworld.com		
20-22	New and Emerging Technologies Conference	Tucson, AZ	www.nreca.org/edu_events/conferences/newtech/html/conference.html		
MARCH 2002					
17-21	EPRI's 7th Distributed Resources Conference and Expo	Dallas, TX	lgoldie@epri.com		
19-21	Electric Power 2002	St. Louis, MO	www.electricpowerexpo.com		

*Source: Electricity Daily, October 1; www.worldlinkinsurance.com